

## **COMMUNITY AFFAIRS COMMITTEE**

DATE: September 5, 2006

CALLED TO ORDER: 5:15 p.m.

ADJOURNED: 6:15 p.m.

### **ATTENDANCE**

#### **ATTENDING MEMBERS**

Greg Bowes, Chair

Patrice Abduallah

Paul Bateman

Jim Bradford

Ginny Cain

Susie Day

Joanne Sanders

#### **ABSENT**

## **AGENDA**

### **BUDGET HEARING**

Review and Analysis

PROPOSAL NO. 435, 2006 - adopts the annual budget for the Marion County Office of Family and Children for 2007

"Do Pass as Amended"

Vote: 5-0

PROPOSAL NO. 436, 2006 - adopts the annual budget for Indianapolis and Marion County for 2007 (Community Affairs portion only)

"Do Pass as Amended"

Vote: 6-0

## **Community Affairs Committee**

The Community Affairs Committee of the City-County Council met on Tuesday, September 5, 2006. Chair Greg Bowes called the meeting to order at 5:15 p.m. with the following members present: Patrice Abdullah, Paul Bateman, Jim Bradford, Ginny Cain, Susie Day, and Joanne Sanders. Bart Brown, Chief Financial Officer, represented Council Staff.

### **BUDGET HEARING**

**PROPOSAL NO. 435, 2006** - adopts the annual budget for the Marion County Office of Family and Children for 2007

Councillor Sanders moved to amend Proposal No. 435, 2006 by substituting the proposed version. Councillor Bateman seconded the motion. Chair Bowes asked if the committee would like to discuss the changes in the amendment or could go ahead and vote on the amendment. Councillor Abdullah asked to have the amendment discussed to highlight some of the changes so that the committee is familiar with the amendment. Councillor Sanders asked Mr. Clifford to explain some of the changes.

Robert Clifford, Director, Office of Finance and Management (OFM), explained that in some areas of the amendment "Marion County Office of Family and Children" is changed to "Child Welfare Services". He said this generic name is being used, because in this proposal, there is funding for debt service outlay from the loan appropriated earlier this year.

Jeff Seidenstein, Budget Manager, said that OFM added the names of two funds that were left out: first is the section in the county Auditor's budget that appropriated funds for the debt service for the Child Welfare Sinking Fund. He said that it is contained in Proposal NO. 436, 2006 and later in the meeting, that should also be amended. Chair Bowes asked if those funds were from the money borrowed to fund the shortfall for the 2006 budget. Mr. Seidenstein answered in the affirmative.

Mr. Brown asked to strike the words Marion County Office of Family and Children in the two boxes in section one, page one and change to Department of Child Services (DCS). Chair Bowes asked for consent to change the wording. Consent was given.

Mr. Seidenstein stated that the next change is increasing the revenue estimate to reflect that this fund is receiving payment in lieu of taxes (PILOT) from the Waterworks estimated at \$125,000 for the second half of this year and \$250,000 for next year. He added that appropriate adjustments have been made to the totals for the funds.

Councillor Bradford asked if this process will be done from the Waterworks for all other departments and in what amount. Mr. Seidenstein stated that it will be seen in all of the ordinances that have property tax. Mr. Clifford stated that it will be around \$8 or \$9 million per year. He said that the Waterworks does not pay property taxes; they make payments in lieu of taxes as part of the creation of the Department of Waterworks.

Councillor Bradford asked how long this process has been in place. Mr. Clifford stated that it has been four years.

Mr. Seidenstein went on to explain that in section two, under Children's Psychiatric Residential Treatment Fund, the only adjustment is the small amount of PILOT as was discussed previously. Mr. Seidenstein stated that the next change is the added miscellaneous revenue for the Child Welfare Sinking Fund. He said that the estimated amount for the second half of 2006 is \$844,473, and for next year it will be \$ 3,143,998. He stated that the amount is broken down by different types of taxes.

Mr. Seidenstein stated that in section three, page three, OFM added "2006 Billed Net Assessed Valuation" which is \$40.35 billion for the entire County. He said that for 2007, it is estimated at approximately \$34.1 billion as the assessed value. Mr. Clifford explained that one of the things that OFM wants is to make sure that the County does not loose any tax revenue, because the assessors had not finished their trending analysis. He said that assessed value was guessed to drop about 15%. He said that 5.5% was previously contributed to inventory and another five percent went to what is now being granted as a one time Homestead exemption. Mr. Clifford stated that the tax rate that was passed as a part of the budget can go down but cannot go up.

Mr. Seidenstein went on to explain section three stating that on line seven, the miscellaneous revenue was adjusted and that number comes from page two section two, and that number affects the estimated cash balance in line nine. He stated that in line 11, \$250,000 was added to miscellaneous revenue for January 1 to December 31 of the incoming year. He stated that line items 13 and 14, the estimated fund balance at the end of next year, is now \$1,111,003 and that is exactly \$375,000 more that what was originally published.

Mr. Seidenstein stated that the last changes are in the last two lines of section three. He said that the current tax rate is 0.1041, and for next year it will not exceed 0.2012. Chair Bowes asked why the numbers that were originally published for the budget were stricken through. Mr. Seidenstein stated that these numbers were in the budget that was introduced by the Mayor on August 7, 2006. He said that the column on the right is what OFM is asking the Council to approve. He said that technically, the advertisement that was placed, OFM published the total budget of each and the proposed levy. He said that OFM did not publish a tax rate.

Mr. Seidenstein stated that the change in the Children's Psychiatric Residential Treatment Fund is in line item two which shows the necessary expenditures, July 1 to December 31 of present year. He said that the \$1,081,800 is the number that came to OFM from the Department of Child Services. He said that the other change was to adjust the miscellaneous revenue for the PILOT, and that all other changes are consistent with mathematical updates of the numbers. He said that the fund balance for this fund at the end of next year is estimated at \$15,000 and the tax rate for next year will be 0.0052 and that compares to this years tax rate of 0.0044.

Councillor Bradford asked how much is estimated to be left. Mr. Clifford stated that \$3.3 million was repaid in March 2006 and went to reduce the amount that is owed to the State for juvenile incarceration. Councillor Sanders stated that when DCS met with this committee, Mr. Carmin reported that this year DCS has spent more.

Mr. Seidenstein went on to explain the Child Welfare Sinking Fund will have an operating balance at the end of next year of approximately \$ 227,286. He said that the current year tax rate is 0.0374, and for next year the maximum is 0.0934. He said that the proposed tax rate will be higher due to the amount of expenses for next year.

Councillor Cain asked that if the Council already appropriated the \$35 million, would the committee now have to vote on how it is paid back. Mr. Clifford stated that the Council voted to borrow those funds and appropriate them to DCS. He said that next year, OFM will actually collect the tax rate and then repay the debt. Mr. Seidenstein stated that these funds are appropriated in the Auditor's budget for debt service for the Child Welfare Sinking Fund.

Mr. Seidenstein stated that in section five, on page six, the format for the summaries of appropriations and tax levies has changed. He said that all of the numbers are reflected in that statement. Chair Bowes asked if the \$135 million appropriation and the \$104 million as needed for the levy is the difference because of the revenues being received from the Federal government reimbursements. Mr. Seidenstein answered in the affirmative.

Councillor Cain asked if the tax levy has already been set to allow a change in the tax rate at the end. Mr. Seidenstein stated that what OFM is asking Council to approve it in terms of the levy. He said that if approved, that will establish the levy and then the Department of Local Government Finance (DLGF) will set the tax rate based on what the assessed values are.

Councillor Cain asked if Mr. Seidenstein could explain what the term levy means. Mr. Clifford stated that the levy is the total amount of taxes collected from all taxpayers. He said that each homeowner has to pay based on the assessed value (AV) of their home.

Chair Bowes called for a vote on Councillor Sander's motion to amend Proposal No. 435, 2006. The motion carried by a vote of 7-0.

Councillor Bradford asked if the Guardian Home is being funded through DCS. Mr. Clifford answered in the negative.

### **PUBLIC TESTIMONY**

Rita Staton, citizen, asked what the criteria for abuse and neglect is and why our tax dollars are being paid to victimize parents. Ms. Staton stated that we have to be careful with spending a lot of money to protect children when we have 25 to 30% of those children

dying under the care of DCS. She said that she would like to see a complaint process or an investigative board established.

Dawn Robertson, spokesperson for Family and Children Exploited Sexually (FACES), stated that more and more families are having problems with CPS. Ms. Robertson stated this is an intrusion on families that is not acceptable. She stated that CPS does not involve the parents in any decision making. Ms. Robertson stated that when the committee is thinking about appropriating funds to DCS, it needs to consider having enough funds for defending this agency against lawsuits.

Councillor Bradford stated that Child Protective Services (CPS) does have problems. He said that the committee should be reeducated on the process of how these children go through the system. Councillor Abdullallah stated that hearing these statements is very alarming. He said that we are all here primarily to support the children and make sure the very best is being done for them. He said that after the budget has been approved, there should be a board established to listen to our constituents' concerns to remedy a solution to get a handle on this problem.

Councillor Sanders moved, seconded by Councillor Abdullallah, to send Proposal No. 435, 2006, as per exhibit A, to the full Council with a "Do Pass as Amended" recommendation. The motion carried by a 5-0 vote with Councillors Bradford and Cain abstaining.

PROPOSAL NO. 436, 2006 - adopts the annual budget for Indianapolis and Marion County for 2007 (Community Affairs portion only)

Councillor Sanders offered an amendment to the Proposal No. 436, 2006. Councillor Sanders explained the amendment to the proposal. She stated that it reflects some of the subsidies which are in the Auditor's budget, and there is a change in Character 03, (other services and charges) to reflect the changes in the subsidies. She stated that in addition to that, it reflects striking the Child Welfare Sinking Fund, which was discussed in a previous amendment.

Mr. Clifford stated that in Section 1.03 under County Auditor – Dept 02, OFM has revised Character 03 (other services and charges) by increasing it \$65,000. He said that this was done to put rent into the County Soil and Water Conservation budget and to bring them back up to last year's level. Mr. Clifford explained the changes on page two that provide a 3% increase in the Guardian Home and to recognize that the Guardian Home will be funded out of the County General Fund and not out of the Family and Children Fund. Mr. Clifford stated that the last change is that the County General Fund will fund the Psychiatric Services as ordered by the juvenile judge out of County General and not from Family and Children Services Fund.

Councillor Bradford asked if that amount is being taken out of Marion County Superior Court. Mr. Clifford answered in the negative. Mr. Seidenstein stated that the only reason that portion is shown in the ordinance is because it originally had been proposed to be funded out of the Family and Children Fund.

Community Affairs Committee  
September 6, 2006  
Page 5

Councillor Sanders moved, seconded by Councillor Bradford, to "Amend" Proposal No. 4136, 2006, as per exhibit B. The motion carried by a 7-0 vote.

Councillor Bradford moved, seconded by Councillor Sanders, to send Proposal No. 436, 2006 to the full Council with a "Do Pass as Amended" recommendation. The motion carried by a 6-0 vote.

With no further business pending, and upon motion duly made, the Community Affairs Committee of the City County Council was adjourned at 6:16 p.m.

Respectfully submitted,

Greg Bowes, Chair  
Community Affairs Committee

GB/lw